

AR47



Realty Capital Corp. Limited

annual report

1970

Contents

Page 2	Directors and Officers Auditors Trustees and Transfer Agents Company Bankers Legal Counsel
Page 3	President's Report
Page 5	Financial Statements
Page 14	Six Year Financial Summary
Page 15	Sources of Income Corporate Structure
Page 16	Company Offices Total Services and Functions





REALTY CAPITAL CORP. LIMITED

<i>Directors:</i>	David S. Ades, <i>B.Sc., A.M.C.T.</i> Jeanne Ades Ralph E. Ades William G. Durst, <i>F.R.I.</i> Pierre Genest, <i>Q.C.</i> Philip E. Hoffman Gerald Rose, <i>S.R.A.</i> John C. Stodgell
<i>Officers:</i>	Ralph E. Ades, <i>Chairman</i> David S. Ades, <i>B.Sc., A.M.C.T., President</i> Gerald Rose, <i>S.R.A., Vice-President and General Manager</i> Pierre Genest, <i>Q.C., Secretary</i> Roger I. Coe, <i>C.A., Treasurer and Comptroller</i>
<i>Auditors:</i>	Clarkson, Gordon & Co., <i>Toronto</i> <i>Chartered Accountants</i>
<i>Trustees and Transfer Agents:</i>	Guaranty Trust Company of Canada, <i>Toronto</i> Common Shares and Secured Certificates Montreal Trust Company, <i>Toronto</i> Class A Shares and Subordinated Debentures
<i>Company Bankers:</i>	Royal Bank of Canada, <i>Toronto</i> Canadian Imperial Bank of Commerce, <i>Toronto</i>
<i>Legal Counsel:</i>	Cassels, Brock, <i>Toronto</i> <i>Barristers & Solicitors</i>

President's Report

GENERAL

The results of your company for the year ended December 31, 1970 were not up to expectations, primarily due to the continued high interest rates and rising costs which affected the economy in general and the reduction in real estate activity.

The financial statements consolidate for the first time the results of County Savings and Loan Corporation, a partially owned (52%) subsidiary company.

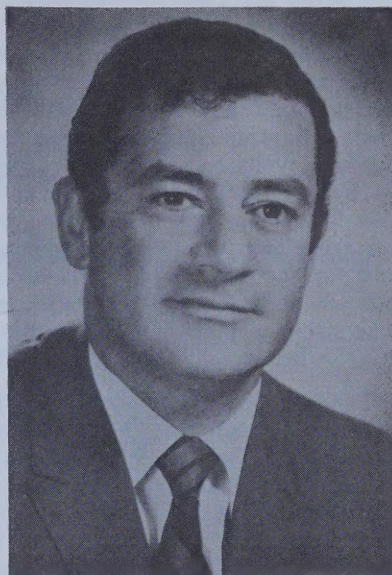
The first few months of 1971 have shown some increase in business and real estate activity and with the reductions in interest rates should have a favourable affect on the profits, especially in the savings and loan division.

EARNINGS

Total income for the year ended December 31, 1970 was \$1,208,171 as compared to \$544,358 in 1969. Of the total income, \$396,873 (32.9%) is income on the mortgage portfolio (other than in the savings and loan division), \$127,020 (10.5%) is income from real estate and land sales and \$684,278 (56.6%) is income from the savings and loan division. Net earnings for the year decreased to \$80,684 in 1970 from the adjusted net earnings of \$116,215 in 1969. Earnings per Class A share were 20.0¢ in 1970 (27.7¢ in 1969) and earnings per common share were 11.1¢ in 1970 (27.7¢ in 1969).

ASSETS

Total assets of your company increased from \$6,738,801 as at December 31, 1969 to \$15,558,732 as at December 31, 1970. This was primarily due to the consolidation of County Savings and Loan Corporation with total assets of \$8,937,980 as at December 31, 1970.



David S. Ades

BUSINESS ACTIVITY

Your company's business is now divided into three distinct areas, each generating its own business activity, each being of mutual benefit to the other, and each contributing independently to the parent company Realty Capital Corp. Limited.

(i) Interim and Secondary Mortgages

This sector of your company's business is provided through its wholly-owned subsidiaries Warchester Investments Limited and Commodore Investments Limited, which subsidiaries lend out funds on first and second mortgages and on interim or construction mortgage loans and act as bankers and syndicators on larger mortgages. The funds for this sector of your company's business are primarily provided through the parent company's senior or primary secured debt. During 1970 no new long term secured debt was raised and consequently the portfolio of mortgages in this sector remained practically the same. It is the intention of management to handle this sector of the business in the future entirely through Commodore Investments Limited and increase the size of this division by raising further long term primary secured debt.

(ii) **Real Estate and Land Development**

This sector of your company's business was during 1970 handled through three subsidiary companies. As at April 30, 1971, the land holdings of Warchester Investments Limited were sold and transferred to Realty Capital Investments (Central) Limited, a wholly-owned subsidiary of your company. The funds for this sector are provided primarily from the subordinated debt and equity of the parent company. During 1970 real estate activity in Ontario reduced appreciably and consequently business activity in this sector was adversely affected.

During 1971 I anticipate the completion and sale of some of our holdings and furthermore, this sector is contemplating its first building project with the planned construction of a town house condominium in a location close to Metropolitan Toronto. Management intends to continue to expand this latter area in the coming years.

(iii) **Savings and Loan Field**

This sector of the company's business has been handled by its 52% owned subsidiary, County Savings and Loan Corporation, which Corporation is incorporated under the Loan and Trust Corporations Act of Ontario. It offers its services through branches in Toronto and provides savings and chequing account privileges for its customers, sells investment certificates and makes consumer or personal loans. These services are competitive, in respect to interest rates and quality, with similar services provided by the chartered banks. It is management's intention to continue expansion in this field. On April 30, 1971 the purchase of approximately 98% of the outstanding shares of Federal Savings and Loan Corporation, a company identical in its business activities to County Savings and Loan Corporation, was completed. With this recent acquisition the total number of branches offering the above services has increased to seven.

It is management's intention to combine the operations of County Savings and Loan Corporation and Federal Savings and Loan Corporation, subject to the approval of the shareholders of both companies

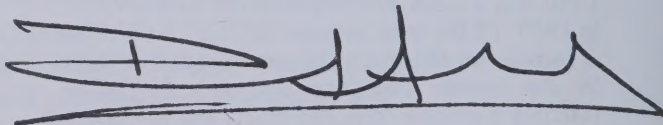
and the appropriate Government agencies. It is also the intention of management, with the permission of the appropriate Government agencies, to expand this sector's activities to include real estate agency sales, increase the volume of consumer lending and initiate mortgage banking, mortgage management and real estate management services. With the addition of Federal Savings and Loan Corporation the total assets of your Company have increased to over \$40 million.

OUTLOOK

Although 1970 was a disappointing year, I feel sure that 1971 will be a year of continued expansion and increased profitability.

I welcome this opportunity of expressing my gratitude to all our employees, whose loyalty and dedication have contributed in great measure to the success of your company.

On behalf of the board,

A handwritten signature in dark ink, appearing to read 'David S. Ades', written over a horizontal line.

David S. Ades
President
Toronto, June 1, 1971

**REALTY CAPITAL CORP. LIMITED**

(Incorporated under the laws of Ontario)

Consolidated Statement of Earnings**for the Year Ended December 31, 1970**

(with comparative figures for 1969)

INCOME:	1970 (note 1)	1969
Income on mortgages (note 3)	\$ 945,701	\$432,462
Income on marketable securities	60,251	
Bank and loan interest	52,184	
Profit on mortgages and real estate (on sales of 1970 - \$994,525; 1969 - \$1,216,842)	105,977	111,896
Profit on joint venture (note 5)	21,043	
Other income	23,015	
Total income	<u>1,208,171</u>	<u>544,358</u>
EXPENSES:		
Interest on —		
Deposits and debentures	395,856	
Long term debt	150,083	138,850
Bank loans	<u>39,285</u>	<u>19,798</u>
	585,224	158,648
Administrative and general expenses	403,346	156,518
Amortization of financing expenses	12,976	9,653
Depreciation and amortization	<u>20,446</u>	<u>4,155</u>
	1,021,992	328,974
Earnings before income taxes and minority interest	<u>186,179</u>	<u>215,384</u>
Income taxes:		
Current	62,300	97,100
Deferred (note 10)	<u>30,200</u>	<u>11,900</u>
	92,500	109,000
Earnings after income taxes	<u>93,679</u>	<u>106,384</u>
Add (deduct):		
Company's share in earnings of County Savings and Loan Corporation (note 1)		9,831
Minority interest in earnings of County Savings and Loan Corporation (note 1)	<u>(12,995)</u>	
NET EARNINGS FOR THE YEAR (note 12)	\$ 80,684	\$116,215

(See accompanying notes to consolidated financial statements)

**REALTY CAPITAL CORP. LIMITED**

(Incorporated under the laws of Ontario)

Consolidated Balance Sheet December 31, 1970

(with comparative figures at December 31, 1969)

ASSETS

	<u>1970</u> (note 1)	<u>1969</u>
Cash and bank deposit receipts	\$ 1,038,298	\$ 22,174
Marketable securities at amortized cost plus accrued interest (note 2)	1,066,131	
Sundry accounts receivable and prepaid expenses	89,491	41,420
Account receivable from County Savings and Loan Corporation		5,149
Income taxes recoverable	6,509	
Loans receivable	79,253	
Mortgages receivable (note 3)	9,556,142	3,323,373
Real estate acquired for sale at the lower of cost or estimated realizable value	388,059	339,973
Land held for development and sale (note 4)	2,962,252	2,661,416
Investment in and advances to joint venture (note 5)	110,225	85,273
Investment in shares of County Savings and Loan Corporation (note 1)		171,949
Premises and equipment — at cost less accumulated depreciation and amortization (1970 — \$76,714; 1969 — \$13,662.)	197,097	9,948
Unamortized financing expenses	65,275	78,126
	<u>\$15,558,732</u>	<u>\$6,738,801</u>

On behalf of the Board:

David S. Ades, Director

Pierre Genest, Director

LIABILITIES

	1970 (note 1)	1969
Bank loans — secured (note 6)	\$ 510,000	\$ 265,000
Accounts payable and accrued charges	112,357	150,757
Customers' deposits and debentures plus accrued interest (note 7)	7,937,481	
Income taxes payable		3,798
Mortgages payable (note 8)	2,153,588	1,946,065
Long term debt (note 9)	2,068,115	2,143,706
Unamortized discounts on mortgages receivable (note 3)	507,600	298,924
Deferred income taxes (note 10)	133,731	103,531
Minority interest	284,361	
Excess of net book value of shares of subsidiary over cost	39,950	
	<u>13,747,183</u>	<u>4,911,781</u>
Shareholders' equity (note 11):		
Capital —		
Authorized:		
1,000,000 cumulative (20¢) non-voting participating Class A shares without par value		
360,000 common shares without par value		
Issued:		
306,375 Class A shares	1,195,500	1,195,500
174,400 common shares	333,600	333,600
Contributed surplus	8,000	8,000
Retained earnings	274,449	289,920
	<u>1,811,549</u>	<u>1,827,020</u>
	<u>\$15,558,732</u>	<u>\$6,738,801</u>

(See accompanying notes to consolidated financial statements)



REALTY CAPITAL CORP. LIMITED

(Incorporated under the laws of Ontario)

Consolidated Statement of Retained Earnings

for the Year Ended December 31, 1970

(with comparative figures for 1969)

	1970 (note 1)	1969
Balance, beginning of year:		
As previously reported	\$ 286,945	\$ 311,995
Adjustment for the company's share in prior years' earnings (losses) of County Savings and Loan Corporation (note 1)	2,975	(6,856)
As restated.	289,920	305,139
Net earnings for the year	80,684	116,215
	<u>370,604</u>	<u>421,354</u>
 Deduct:		
Dividends paid –		
Class A shares (per share, 1970 – 20¢; 1969 – 15¢)	61,275	36,914
Common shares (per share, 1970 – 20¢; 1969 – nil)	34,880	
Financing costs on issue of Class A shares less related income tax credit of \$25,960		94,520
	<u>96,155</u>	<u>131,434</u>
Balance, end of year	<u>\$ 274,449</u>	<u>\$ 289,920</u>

(See accompanying notes to consolidated financial statements)

AUDITORS' REPORT

To the Shareholders of
Realty Capital Corp. Limited:

We have examined the consolidated balance sheet of Realty Capital Corp. Limited and its subsidiary companies as at December 31, 1970 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the consolidated financial position of the companies as at December 31, 1970 and the results of their operations and the changes in their financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada,
May 25, 1971.

CLARKSON, GORDON & CO.
Chartered Accountants

Consolidated Statement of Changes in Financial Position

For the Year Ended December 31, 1970

(with comparative figures for 1969)

	1970 (note 1)	1969
Sources:		
Net earnings for the year*	\$ 157,301	\$ 132,092
Class A shares —		
Proceeds from issue of shares and warrants net of related financing costs		913,230
Conversion of Subordinated Debentures Series A		103,500
Increase in bank loans	245,000	
Increase in customers' deposits and debentures **	7,937,481	
Increase in mortgages payable **	268,543	1,956,565
Issuance of 8% Secured Certificates Series 6		540,313
Excess of net book value of shares in subsidiary over cost	39,950	
Net other sources (dispositions) **	64,713	(21,902)
	<u>\$8,712,988</u>	<u>\$3,623,798</u>
Dispositions:		
Increase in bank deposit receipts and marketable securities**	\$2,082,255	\$ 75,738
Increase in mortgages receivable less unamortized discount thereon **	6,024,093	693,021
Increase in land held for development and investment in joint venture	325,788	2,564,854
Increase in real estate acquired for sale	48,086	63,040
Dividends —		
Class A shares	61,275	36,914
Common shares	34,880	
Repayment of long term debt (note 9)	75,591	76,231
Reduction in mortgages payable **	61,020	10,500
Conversion of Subordinated Debentures Series A		103,500
	<u>\$8,712,988</u>	<u>\$3,623,798</u>

*After adding back (deducting) depreciation, amortization of financing expenses, deferred income taxes and adjustments for prior years' earnings and current year's minority interest in County Savings and Loan Corporation (1970 — \$76,617; 1969 — \$15,877).

**Includes assets and liabilities of County Savings and Loan Corporation acquired during year (note 1).

(See accompanying notes to consolidated financial statements)



REALTY CAPITAL CORP. LIMITED

Notes to Consolidated Financial Statements

DECEMBER 31, 1970

1. Principles of consolidation

The consolidated financial statements at December 31, 1970 consolidate the accounts of Realty Capital Corp. Limited with its three wholly-owned subsidiary companies (Commodore Investments Limited, Warchester Investments Limited and Realty Capital Investments (Central) Limited) and County Savings and Loan Corporation which became a partially owned (52%) subsidiary company on January 31, 1970. At December 31, 1969 the company's investment in County Savings and Loan Corporation was 34%.

A summarized balance sheet of County Savings and Loan Corporation whose accounts are included in the consolidated balance sheet and statement of changes in financial position for the first time in 1970 is as follows:

	<u>1970</u>	<u>1969</u>
ASSETS		
Cash and bank deposit receipts	\$1,050,072	\$ 404,112
Marketable securities	1,066,131	895,926
Mortgages receivable	6,538,009	4,593,222
Other assets	283,768	184,758
	<u>\$8,937,980</u>	<u>\$6,078,018</u>
LIABILITIES		
Customers' deposits and debentures	\$7,937,481	\$5,313,509
Unamortized discounts on mortgages receivable	275,601	159,471
Other liabilities	132,491	39,178
	<u>8,345,573</u>	<u>5,512,158</u>
Shareholders' equity:		
Common shares	580,500	580,500
Retained earnings (deficit)	11,907	(14,640)
	<u>\$8,937,980</u>	<u>\$6,078,018</u>

During the year the investment in County Savings and Loan Corporation, which was previously recorded at cost, was adjusted to reflect the company's share of the earnings of that company on a retroactive basis and, as a result, the statement of earnings for 1969 and retained earnings at January 1, 1969 have been adjusted accordingly.

2. Marketable securities

Marketable securities comprise the following:

	<u>Amortized cost</u>	<u>Approximate market value</u>
Government of Canada, provincial and municipal bonds	\$ 933,125	\$ 921,809
Corporate bonds	30,996	29,178
Common and preference shares	102,010	70,897
	<u>\$1,066,131</u>	<u>\$1,021,884</u>

The government bonds are held by the company's partially owned subsidiary, County Savings and Loan Corporation, in accordance with certain requirements under the Loan and Trust Corporations Act.

3. Mortgages receivable

The mortgages receivable are carried on the balance sheet at their face values, plus accrued interest, less principal repayments to date and an allowance of \$10,000 for doubtful mortgages. Any purchase discounts are carried as "Unamortized discounts on mortgages receivable" which, in the wholly-owned subsidiaries, are amortized over the terms of the mortgages and, in County Savings and Loan Corporation, over the terms of the mortgages or five years, whichever is lesser.

4. Land held for development and sale

Land held for development and sale includes interests in several parcels of land. These properties are valued at cost plus maintenance and carrying costs to date. No significant development costs have been incurred to December 31, 1970.

5. Joint venture

The company has a 25% interest in a limited partnership formed to develop a tract of land. This investment is carried in the company's accounts at cost plus its share of undistributed profits.

No significant development costs relating to the remaining land have been incurred to December 31, 1970.

6. Bank Loans

The Secured Certificates Series 3 may be issued in unlimited principal amounts at varying interest rates and maturity dates to secure bank loans. The principal amount outstanding at December 31, 1970 was \$545,000. See note 9(b) for details of the trust indenture securing this series.

7. Customers' deposits and debentures

Included in customers' deposits and debentures are term deposits and debentures of \$3,750,392 due within one to five years.

8. Mortgages payable

The mortgages payable are secured by specific charges on the land held for development, certain real estate acquired for sale and the company's premises. They bear interest at rates between 6% and 10% and call for principal repayments as follows:

1971.....	\$ 39,189
1972.....	129,995
1973.....	60,165
1974.....	353,074
1975.....	190,204
Subsequent to 1975	<u>1,380,961</u>
	<u>\$2,153,588</u>

9. Long term debt

Details of the long term debt are as follows:

	<u>1970</u>	<u>1969</u>
Realty Capital Corp. Limited		
Secured certificates —		
7% — 9% Series 1, due in various amounts to March 1, 1974 (a).	\$ 24,296	\$ 24,296
6¾% Series 2, due September 23, 1974 (b).	500,000	500,000
7% Series 5, \$423,334 (U.S.) principal amount, due January 31, 1981, payable \$38,333 (U.S.) annually (b) and (c)	454,825	496,009
8% Series 6, \$500,000 (U.S.) principal amount, due June 25, 1984, payable \$38,000 (U.S.) annually commencing June 25, 1972 (b) and (c)	540,313	540,313
6¾% Subordinated Convertible Debentures		
Series A, due December 1, 1974 (d)	394,500	394,500
8% Subordinated Convertible Debentures		
Series B, due October 22, 1978 (e)	100,000	100,000
Warchester Investments Limited —		
7½% — 9½% loans payable secured by mortgages (f).	54,181	88,588
	<u>\$2,068,115</u>	<u>\$2,143,706</u>

- (a) The trust indenture securing the Secured Certificates Series 1 requires the company to, among other things, maintain with the Trustee mortgages in an amount at least 20% in excess of the certificates outstanding. Under the terms of the trust indenture referred to in (b) below, no further Series 1 Certificates may be issued.
- (b) The trust indentures securing Secured Certificates Series 2, 3, 5 and 6 require, among other things, that the company will maintain on deposit with the Trustee acceptable collateral (as defined) of a total value of at least 125% of the aggregate principal amount of all outstanding Secured Certificates issued thereunder. The indentures also contain restrictions as to the total amount of secured and subordinated debt that the company may issue from time to time.
- (c) Long term debt sold in United States funds has been translated at the exchange rate prevailing at the date of issue of the debt.
If the debt had been translated at the prevailing exchange rate at December 31, 1970 the liability would be reduced by approximately \$62,500. As debt repayments cover a considerable number of years during which the exchange rates could fluctuate the debt has not been translated at current exchange rates.
- (d) The Subordinated Debentures Series A are convertible into 1 Class A share for every \$5 in principal amount thereof up to November 27, 1974.
- (e) The Subordinated Debentures Series B are convertible into Class A shares at the rate of 1 Class A share for every \$4.22 in principal amount of debenture up to October 21, 1973 and 1 Class A share for every \$4.72 in principal amount thereafter up to October 18, 1978.
- (f) The loans payable by Warchester Investments Limited include loans of \$14,177 which mature prior to December 31, 1971.

10. Deferred income taxes

For income tax purposes the companies are permitted to record bonus income and claim financing expenses and allowances for doubtful mortgages on a basis different from that used to record such items in the accounts. The tax reductions resulting from the differences in recording of such items are not reflected in income but are credited to "Deferred income taxes" to be brought into income in subsequent years when the net amounts from these sources reported for tax purposes will be more than the amounts recorded in the accounts.

11. Share capital

(a) Share warrants:

At December 31, 1970 share warrants were outstanding which entitled the holders to acquire one Class A share for each warrant held as follows:

	Exercisable to	Exercise price	Class A shares reserved for exercise
Series A	October 1, 1974	\$5.00	30,000
Series C	{ February 15, 1974	4.50 }	155,000
	{ February 15, 1979	5.00 }	
Series D	February 1, 1976	4.00	50,000
Series E	June 25, 1984	4.00	60,000
			<u>295,000</u>

(b) Share options:

At December 31, 1970 employee options were outstanding with respect to 20,000 common shares at \$3 per share exercisable on or before September 9, 1971.

(c) Shares reserved for options, warrants and convertible debt:

At December 31, 1970 the company's authorized but unissued share capital was reserved to the following extent —

Class A shares:

For issue under share purchase warrants presently outstanding (see (a) above). 295,000 shares

For issue under conversion privileges attached to the —

6¼% Subordinated Debentures (see note 9 (d) above) 78,900 shares

8% Subordinated Debentures (see note 9 (e) above). 23,696 shares

397,596 shares

Common Shares:

For issue under options held by employees (see (b) above) 20,000 shares

12. Earnings per share

	1970		1969	
	<u>Class A</u> <u>shares</u>	<u>Common</u> <u>shares</u>	<u>Class A</u> <u>shares</u>	<u>Common</u> <u>shares</u>
Applicable to outstanding shares	20.0¢	11.1¢	27.7¢	27.7¢
Fully diluted	20.0¢	6.3¢	22.8¢	22.8¢

Fully diluted earnings per share reflect the effects on earnings per share which would result if at the beginning of each year all employee stock options and all the warrants with dilutive effects had been exercised and all the Subordinated Convertible Debentures had been converted. For the purposes of these calculations, earnings of \$50,175 (\$45,763 in 1969) have been imputed at an after tax rate of interest (4%) based on the approximate cost of the company's bank borrowings. In 1969 the calculation of the earnings applicable to the common shares was made on the basis that the common shares were also entitled to a 15¢ per share priority.

In 1970 the Class A shares were made cumulative and the annual preferential dividend was increased from 15¢ to 20¢ per share.

13. Events subsequent to the year end

On April 30, 1971 the company acquired approximately 98% of the outstanding shares of Federal Savings and Loan Corporation. The purchase price of \$1,600,000 was financed in part by additional bank borrowings.

14. Other

- (a) The aggregate remuneration paid or accrued by the company and its subsidiaries to directors and senior officers (as defined by the Business Corporations Act of Ontario to include the five highest paid employees) amounted to \$140,112 in 1970. This included the remuneration of two employees not considered to be part of the company's management.
- (b) The company is contingently liable in the amount of \$188,554 for the portion of mortgages assumed by joint participants in certain land held for development and sale.
- (c) For comparative purposes certain 1969 accounts have been reclassified to conform with classifications adopted in 1970.

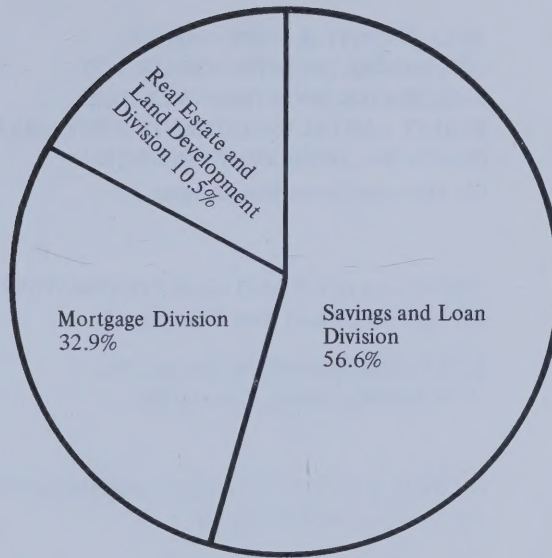
Six Year Financial Summary

	1970	1969	1968	1967	1966	1965
Total income	\$ 1,208,171	\$ 544,358	\$ 467,556	\$ 383,833	\$ 354,613	\$ 276,043
Cost of borrowing	<u>585,224</u>	<u>158,648</u>	<u>151,927</u>	<u>155,144</u>	<u>166,788</u>	<u>128,348</u>
Operating expenses	<u>622,947</u> <u>436,768</u>	<u>385,710</u> <u>170,326</u>	<u>315,629</u> <u>131,664</u>	<u>228,689</u> <u>100,047</u>	<u>187,825</u> <u>79,173</u>	<u>147,695</u> <u>62,834</u>
Earnings before taxes and minority interest	186,179	215,384	183,965	128,642	108,652	84,861
Provision for taxes	<u>92,500</u>	<u>109,000</u>	<u>87,486</u>	<u>56,756</u>	<u>46,703</u>	<u>34,284</u>
Earnings after taxes	93,679	106,384	96,479	71,886	61,949	50,577
Minority interest	(12,995)					
Adjustments*		<u>9,831</u>	<u>4,635</u>	<u>2,881</u>	<u>(7,332)</u>	<u>(7,040)</u>
Net earnings	\$ <u>80,684</u>	\$ <u>116,215</u>	\$ <u>101,114</u>	\$ <u>74,767</u>	\$ <u>54,617</u>	\$ <u>43,537</u>
Number of shares outstanding:						
Class A	306,375	306,375	30,500**	30,000**	30,000**	30,000**
Common	174,400	174,400	174,400**	174,400**	174,000**	174,400**
Dividends per share:						
Class A	20¢	15¢	15¢**	15¢**	15¢**	15¢**
Common	20¢	—	—	—	—	—
Earnings per share:						
Class A	20¢	28¢	49¢**	37¢**	27¢**	21¢**
Common	11¢	28¢	49¢**	37¢**	27¢**	21¢**
Fully diluted earnings per share:						
Class A	20¢	23¢	30¢**			
Common	6¢	23¢	30¢**			
Shareholders equity*	\$ 1,811,549	\$1,827,020	\$ 730,989	\$ 632,394	\$ 562,127	\$ 511,760
Mortgages receivable	\$ 9,556,142	\$3,323,373	\$2,548,828	\$2,477,734	\$2,937,831	\$2,944,340
Land under development	\$ 2,962,252	\$2,661,416	\$ 114,335	—	—	—
Total assets *	\$15,558,732	\$6,738,801	\$3,258,394	\$3,244,927	\$3,378,906	\$3,240,283

* Adjusted for company's share in earnings (losses) of County Savings and Loan Corporation

** Adjusted for 2 for 1 split in January, 1969

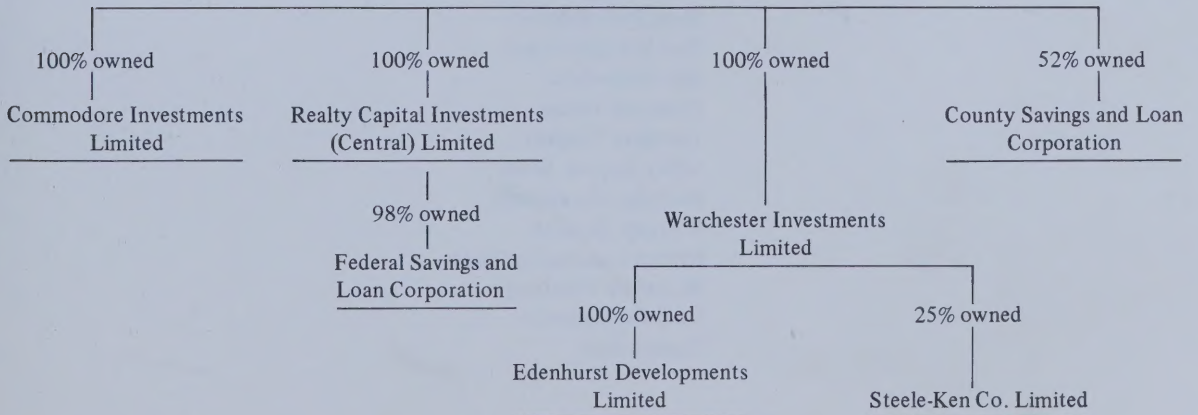
SOURCES OF INCOME



CORPORATE STRUCTURE as at May 31, 1971

REALTY CAPITAL CORP. LIMITED Subsidiary and Associated Companies

REALTY CAPITAL CORP. LIMITED



COMPANY OFFICES

REALTY CAPITAL CORP. LIMITED
COMMODORE INVESTMENTS LIMITED
WARCHESTER INVESTMENTS LIMITED
REALTY CAPITAL INVESTMENTS (CENTRAL) LIMITED
EDENHURST DEVELOPMENTS LIMITED

Head Office 133 Richmond Street West, Toronto 110

COUNTY SAVINGS AND LOAN CORPORATION
133 Richmond Street West, Toronto 110

Head Office

Branch Offices 1224 St. Clair Avenue West, Toronto 341
1954 Danforth Avenue, Toronto 269

FEDERAL SAVINGS AND LOAN CORPORATION
141 Yonge Street, Toronto 210

Head Office

Branch Offices 605 Danforth Avenue, Toronto 275
950 St. Clair Avenue West, Toronto 345
1850 Eglinton Avenue West, Toronto 341

TOTAL SERVICES AND FUNCTIONS

Chequing Accounts
Savings Accounts
Investment Certificates
Short Term Deposits
First Mortgage Loans
Real Estate Sales
Consumer Loans
Travellers Cheques
Safety Deposit Boxes
Mortgage Management
Mortgage Banking
Interim Construction Loans
Secondary Financing
Land Development
Construction

